



IOWA LOTTERY BOARD MEETING

Meeting. The Iowa Lottery Board (ILA) met on September 27, 2016, in Clive, Iowa. The Board took the following action:

Financial Update. The Board was briefed on the current financial details regarding lottery sales in Iowa. According to data provided by the Iowa Lottery Authority (ILA), total FY 2016 instant-scratch ticket sales (for the 12 months ending June 2016) increased by approximately 10.2% when compared to FY 2015 total instant-scratch ticket sales (for the 12 months ending June 2015). Total FY 2016 Powerball sales totaled approximately \$74.9 million, an increase of approximately 43.4% when compared to FY 2015 total Powerball sales. Total Lottery operating revenues for FY 2016 increased by approximately 13.0% when compared to FY 2015 total revenues.

In addition, the Authority also informed the Board that the total amount of proceeds distributed for FY 2016 was \$88 million. Fiscal Year 2017 sales through August 31, 2016, are calculated to be approximately 16.7% ahead of sales compared to the same period of FY 2016. Fiscal Year 2017 proceeds through August 31, 2016, are calculated to be approximately 22.1% ahead of FY 2016 proceeds for the same period.

Instant Ticket Printing Contract Extensions. On March 2, 2012, the ILA issued RFP IL 12-02, a request for proposals to solicit contract proposals from qualified firms or vendors interested in printing instant tickets and providing related services for the ILA. On May 31, 2012, the Board approved the ILA to issue a Notice of Intent Award, subject to completion of a successful Department of Criminal Investigation (DCI) investigation, to the following vendor applicants:

- International Game Technology (IGT), London, UK
- Pollard Banknote Limited (PBN), Winnipeg, MB, Canada
- Scientific Games International, Inc. (SGI), Alpharetta, GA

Background investigations for all three applicants were completed. The ILA negotiated contracts with all three applicants as well, with the initial contract term beginning January 1, 2013, and ending December 31, 2014. The first one-year extension of each of these contracts was approved by the Board on September 23, 2014, and the second one-year extension was approved on September 29, 2015. Under these contracts, two additional one-year extensions are still available. At its September meeting, the Board unanimously approved the Lottery staff to exercise the third extension of these contracts, expiring December 31, 2017.

Fiscal Year 2018/2019 Budget Proposal. At its September meeting, the Board unanimously voted to accept the ILA's FY 2018 and FY 2019 budget presentation and proposal. The Board approved to set total sales projections for both FY2018 and FY 2019 at \$333.8 million, an increase of approximately 2.0% compared to FY 2017. Total proceeds for FY 2018 were approved at a level of \$70.2 million, and at \$70.7 million for FY 2019. At the time of the meeting, the proposed budget did not include any salary or benefit compensation changes, as contract negotiations for the upcoming fiscal year had not been completed. The Board will revisit these areas of the budget in June 2017 when contract negotiations have been completed.

Next Meeting. The next meeting of the Board has not been scheduled.

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